

STAFF REPORT

To: Planning & Economic Development Committee Date: November 12, 2018

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Via: Cathy Ball, Interim City Manager

Subject: Status Update on Small-Scale Residential Infill

Summary Statement: This is a report on the impact of zoning changes passed in August and October 2017 to encourage small-scale residential infill, and possible strategies to encourage additional housing options.

Background: The cost of housing continues to be challenging for the average wage earner and demand for housing in the Asheville area continues to face pressure¹. In order to address this demand and provide new housing options the City Council passed OrdNos. 4068 and 4621 in 2017 to encourage small-scale residential infill. These changes were made after a two-year public engagement process, and reduced dimensional standards (minimum lot width and lot area) by 20% and incentivized greater residential densities in multifamily districts.

Since the passing of the zoning updates, approximately 130 properties have taken advantage of the new regulations (see attached map). Some properties were subdivided with narrower lots, others were created with smaller areas, and some incorporated both. The 130 infill lots that have been approved represent approximately 20% of the total number of all parcels that were recorded during this period. About another 100 lots are currently in review.

While no formal review has taken place to date, the following include possible considerations to continue to enhance regulations to support housing and broader city goals.

Considerations to encourage further small-scale residential infill:

- Marketing. Although the City maintains a <u>web page</u> that highlights the new regulations, many people are not aware of the new rules. Develop a small-scale residential or missing middle housing campaign. Seek input from developers to understand from their perspective what is/isn't working.
- 2) Review Living Asheville strategies to explore opportunities to allow for greater density and diversity in residential building types and to consolidate zoning categories to simplify the UDO for a broader range of allowable densities and compatible housing options.
- 3) Revise off-street parking standards by reducing the off-street parking requirement for projects located near transit stops or more broadly for ADUs in general. (Off-street parking requirements are primary factors limiting the amount of housing that a site can provide.)

¹ A May 2018 <u>report</u> for Asheville's Cedar Hill's property by Bowen National Research projects that renter households will increase by about 1,300 between now and 2022 and owner households will increase by about 800 during the same time.

- 4) Revise the Tree Save landscape standard, which is a standard that requires affected lots to set aside open space on 30% of the parcel's land area for trees without any mechanism in place to actually protect those trees.
- 5) Overhaul the Open Space landscape standards (20% of lot) that directly compete with residential infill goals.
- 6) Adjust the Flag Lot standard to allow a narrower flag pole (i.e. 10 feet) so that a greater number of properties can subdivide backyards that maintain a lot of area but very little street access to thereby open up bank financing for backyard units. Additional standards can be put in place to safeguard neighborhood context.

Considerations to improve infrastructure impacted by residential development:

- 1) Update the Sidewalk ordinance (Sec. 7-11-8) to require all new projects within a certain distance of goods/services to provide sidewalks.
- Cost sharing for roads/utilities. Clarify the policies/procedures that allow for cost sharing of utility upgrades. Develop policies for cost sharing of new roads that create residential housing opportunities.
- 3) Consider an update to the Standard Specifications and Details Manual (SSDM) to allow for a less onerous specification for pavement and right-of-way requirements on low volume streets (review).
- 4) Create a policy that establishes a process to develop and open unopened rights of way, which have been estimated at a total linear distance of approximately 55 miles comprising approximately 135 acres of land.

Considerations to improve urban design of residential development:

- Develop recommended site layouts (and possibly zoning regulations) for narrow lots to provide public guidance on urban design. Guidance could highlight site layout for 40-wide lots that integrate parking to the side of the primary dwelling, orient the homes to take advantage of passive solar gain, subordinate the prominence of front-facing garages, etc.
- 2) Develop an ADU guide to create a visually interesting document to simplify the ADU process and provide examples to highlight best practices, similar to this document created by cityLAB.
- 3) Create zoning design regulations for *large-scale* residential development.

Recommendation: Staff seeks PED guidance and input. These considerations are not currently part of our work plan yet if PED wishes to prioritize any of these we can further examine city resources as part of the budget process.

Attachment (1) Map